RAJYA SABHA

Tuesday, the 30th August, 1988/*8th Bha-dra,* 1910 *(Saka)*

The House met at eleven or the clock, Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

*40l. *[The questioner {Shri MurUdhar Chandrakant Dliandare) was absent. For atmver vide col.* 34—*infra]*

CONVICTIONS FOR FERA VIOLATIONS

*402. SHRI CHIMANBHAI MEHTA : Will the Minister of FINANCE be pleased to state :

(a) how many persons have been convicted resulting in imprisonments during the last three years, year-wise, for FERA violations;

(b) how many persons involved in FERA violations were acquitted by various courts during the above period; and

(c) what is the number of cases where Government appealed against acquittals during the above period, year-wise, and what are the results thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) During 1985, 1986 and 1987 convictions resulting in imprisonment in 13, 21 and 21 cases respectively.

(b) During 1985, 1986 and 1987, 3, 14 and 38 cases have resulted in acquittal.

(c) The Government have filed appeals against acquittals in 1 case each in 1985, and 1986 and in 8 cases in 1987. The appeals are pending decision with the Courts.

SHRI CHIMANBHAI MEHTA : Sir, the answer has given the details about convictions and acquittals. But previously I had asked a question. There are thousands of cases going on regarding FERA violations. Sometimes the adjudication proceedings are on and, therefore, prosecution is not launched. But in the case of Mr. Kirloskar prosecutions and adjudications both went together. Now, Sir, it happens that the adjudication authority takes one view and the court might take another view. Therefore, why not launch adjudication and prosecution sinii'.Uane-ously as it was done in the case of Mr. Kirloskar? I am asking this question because in the case of adjudication it is a semi-judicial function done by somebodv

MR. CHAIRMAN : What is your question exactly ?

SHRI CHIMANBHAI MEHTA ; Therefore, I am saying that when lakhs and lakhs of rupees are put in the Swiss Dank—everybody knows about it—this is a small figure of imprisonment and it happens only because you do not launch both the prosecution and adjudication together, both the adjudication and the court proceedings. Some known figures are there in the adjudication and these people tun away saying that there employer purchased this particular house and they accept such things. But in a court of law
it will be very difficult for them. There fore, my particular question is this : Why are you not launching both the proceedings simultaneously as you have done in the case of Mr. Kirloskar ?

SHRI EDUARDO FALEIRO : Sir, these prosecutions are launched and the cases are submitted to the courts by the Directorate of Enforcement. The cases at the departmental level are decided by the adjudicating authority. These are matters which are dealt with in a quasi-judicial manner and under a quasi-judicial

procedure. That is what I waul to emphasise. What I want to emphasise, is that launching of prosecution and launching of adjudication are matters which are done as per the law, as provided for in the FERA and other relevant legislations All that I would like to tell the honourable Member is that if the honourable Member has any information that any law has been violated, that any particulaily provision of a law has been violated, he can bring it to our notice. He is saying so many things and he knows many th'ngs and that is a different matter.

SHRI CHIMANBHA1 MEHTA : Sir, he has not answered my question. Mr. Kirloskar was tried in one way and Mr.. Ajitabh Bachchan in another way. I am asking you specifically, "Why don't you try both the cases in the court so that at least we as member of the Congress (I) Party will defend our party and the Government in a legal manner, but not in cases of corruption and FERA violations?"

This should be done .....*(Interruptions).* Therefore, I would like the Minister to answer this question? Why don't you launch both the things simultaneously ?

MR. CHAIRMAN : Instead of making insinuations, come to the point.

SHRI ATAL BIHARI VAJPAYEE ; This is the point. .*(Interruptions)..*

SOME HON. MEMBERS : This is the point.. *(Interruptions)* ..

SHRI SUBRAMANIAN SWAMV : Why this double standard? That is the point... *(Interruptions).,*

SHRI CHIMANBHAI MEHTA : Why one treatment to Mr. Kirloskar and another treatment to another person ? You are asking me to give the information and I have given it. Why do you treat Mr. Ajitabh Bachchaa in one way and Mr, Kirloskar in another way ?...*(Interruptions)* ...

SHRI EDUARDO FALEIRO : Sir, when the honourable Member says, "You say ... ", the honourable Member is wrong. He is wrong to this extent that these are proceedings which are quasi judicial proceelings... *(Interruptions)*... and it is the quasi-judicial authority who is the adjudicating authority as per.the law and they have dealt with it as per the law to the best of our knowledge. We are confident that they are doing as per law. *-(Interruptions),*

SHRI M. S. GURUPADASWAMY : He is taking shelter under law. But my complaint is that the law in this country is $_{u}$ being twisted, being abused, by the authorities, to their own convenience, for their own friends. In the case of Ajitabh Bachchan, Sir... *(Interruptions)* there is clear evidence that the Government is protecting him.

MR. CHAIRMAN ! Let the questioner ask.

THE MINISTER OF FINANCE (SHRI S. B. CHAVAN) : Ultimately, it is a question of the interpretation of law. Might , be, Sir, the hon. Member does not agree with the quasi-judicial authority which has taken the decision in this matter. But that does sot mean that the interpretation as made by the hon. Member should be acceptable to everyone concerned, including the quasi-judicial authority.

SHRI M. S. GURUPADASWAMv : Do you say that in this particular case the quasi-judicial authority has not been influenced by you ?

SHRI S. B. CHAVAN *a* No, Sir. 1 strongly refute the allegation, made by the hon. Member

MR. CHAIRMAN : That is an insinuation; it is not an allegation. Second supplementary.

SHRI CHIMANBHAI MEHTA : You are trying to negotiate with the Swiss Government about getting "the accounts opened and booking the persons. This is a poor result—imprisonment and acquittal. Rupees twenty thousand crores have been drained away by them. It is a treacherous act, worse than what a traitor can do. What is the Swiss Government's reply? And what are your efforts ? *You* have been protceting them for the last two years. It has come to the end.

SHRI EDUARDO FALEIRO: Sir, this question does not arise from the main question asked by the hon. Member. However, I would like to say that we are very keen in proceeding with this as well as all other matters, so that the violators of law and those who break our Foreign Exchange Regulations in particular are brought to book and they are punished.

SHRI SANTOSH BAGRODIA : What is the truth of a news report that the Government is considering removal of FERA and Y1R.TP restrictions to facilitate speedy flow of high technology into India ? What is the extent of FERA violations in the 'free trade zones' ? '

SHRI EDUARDO FALEIRO : As far as the first portion is concerned, there is no truth in that report. As far as the second part is concerned, I do not have the information with me at this point of time. I can send it to the hon. Member.

SHRI GURUDAS DAS GUPTA: Sir, the Minister has just now stated that he uld like the FERA violators to he brought to book indiscriminately. Let me welcome his statement. But let me bring to your notice, Sir, that he has got no one standard for the application of law in case of violation of FERA. I hope the Minister has not forgotten the" name of Mr. L. M. Thapar. He is a self-confessed criminal, because he gave the "Statement before the court that 'yes, I have violated the law. Thirty-one notices were served on him and the total money he seems to have secreted out of the country to a foreign bank is around Rs. 11 crores. I am in possession, of a paper which shows that the Government filed an affidavit in the court stating that his case should be treated leniently because he has confessed his guilt. Therefore, these are specific cases where the Government is asking the court or the authority who is in charge of applying the law to take cognizance of it in a lenient way. So I would like to know from the hon. Minister, in how many cases the Government is taking a lenient view, in how mercy cases the Government is applying to the court for tackling the problem leniently. Second, why is the Government taking a lenient view in the case of a known and self-confessed FERA violator, that is, Mr. L. M. Thapar?

SHRI EDUARDO FALEIRO: I reiterate that in no case will the FERA violators be treated leniently. *(Interruptions)* Let me complete, my dear friend.

Sir, I have said 'in no case. However, apparently I am quite sure that the hon. Member is referring to an instruction which was given by the then Finance Minister, Shri V. P. Singh, to the effect that Shri L. N. Thapar's violation should be dealt with leniently for the purpose of criminal proceedings, *(Interruptions)* So, this was was a decision or an instruction given by the then Finance Minister, Mr. V. P. Singh. However, we will take strong notce or what the hon. Member has said and we shall proceed accordingly.

(Interruptions)

MR. CHAIRMAN : He will go through the case himself.

SHRI EDUARDO FALEIRO: We shall deal leniently with nobody who violates the law.

SHRI GURUDAS DAS GUPTA : Is it Mr. V. P. Singh's individual decision of the

Government's decision ? Is this the Government policy ?

SHRI RAOOF VALIULLAH: Sir, according to the information available through press reports, Shri L. M. Thapar has been penalised and fined by the Directorate of Revenue Intelligence recently about 15 days ago. Would the hon. Minister enlighten us about the proceedings of this case and what was the amount of fine ?

SHRI EDUARDO FALEIRO : Sir, I do not have the details. Tf there are press reports, they will be looked into.

SHRI RAOOF VALIULLAH: It is on record. The Directorate of Revenue Intel- i ligence has given a press report and you don't have the information.

SHRI EDUARDO FALEIRO: Sir, I don't have the details of any particular case. However, in this particular case, I can broadly say that a particular individual has been penalised in some cases. The other cases are under adjudication. I don't have the figures of the amount at the moment.

SHRI RAOOF VALIULLAH: I need your protection, Sir. These press reports quote the Directorate of Revenue Intelligence and the Minister says he dees not have any information.

SHRI GURUDAS DAS GUPTA : It is the case of Mr. L. M. Thapar and, therefore, he does not know it. It is the Doon school friendship.

MR. CHAIRMAN: No insinuations, please. Let us maintain the dignity of the House. You don't expect the Minister to know who has been fined how much. He is not a computer or God. (*Interruptions)* Would you remember who has been fined how much?

श्रीमती रेणुका चौधरी : सर, आप यह कैसे कहने दे रहे हैं कि यह जो एक्स मिनिस्टर हैं उसने फैसला किया ।

SHRI SATYA PRAKASH MALVIYA : Is it a fact that some person has confessed that he has taken a sum of 2 lakh U.S. dollars from Mr. Brener of Switzerland ? Has he also confessed that he has been taking money from him ? If so, I would like to know whether it is a violation under FERA and whether he has been prosecuted or not.

SHRI EDUARDO FALEIRO: Sir, 1 do would not have information on a vague matter that he has asked about. In reply to the question, permit me to say that some particular company of Mr. Thapar was subjected to a penalty by the Directorate of Enforcement and a fine of about Rs. 26 lakhs was imposed on them.

{Interruptions)

MR. CHAIRMAN: What about Mr. S. P. Malaviya's question ?

SHRI EDUARDO FALEIRO: I don't have the information at the moment. I will find out.

MR. CHAIRMAN : He will give you the details.

SHRI ATAL BIHARI VAIPAYEE: Mr. Malaviya should be asked to name the person. We are in the dark.

PROF. C. LAKSHMANNA : There is no point in hiding- his name.

SHRI KRISHNA KUMAR BIRLA: The name and place of a business or a company or an individual charged for FERA violations can be publicised only after conviction by courts. Unfortunately, however, the Enforcement Directorate have been releasing the publication of names and the so-called findings at the time of search and arrest which is contrary to law. How does the Government explain that ?

SHRI EDUARDO FALEIRO: Sir, why shoulld FERA violators and violators of these laws be protected ? I do not know exactly the law. But it is not the intention of this Government to hide and to protect

such people. It Is not our intention. And i we have it open to harm nobody...

SHRI KRISHNA KUMAR BIRLA :Sir, the Minister has not understood my question. "The law provides that the Government cannot publish the name until the person is convicted by the court, not on mere findings which may be challenged in the court. They are being challenged in the courts. My point is that there is a certain law. You are supposed to observe that law. Why are you...

MR. CHAIRMAN: Is there a provision in law, as I understand, that you cannot publish and nobody should know what is going on ?

SHRI EDUARDO FALEIRO : That is right.

(Interruptions)

SHRI DIPEN GHOSH: Mr. Chairman, Sir, some days ago, when we were dis cussing about some deals between one Japanese company, the ,Dumitomo Corpora tion, and *the* Jyotsna Holdings owned by one Shri Lalit Suri .....

MR. CHAIRMAN : Restrict your question to FERA.

SHRI DIPEN GHOSH: Let me frame the question. It was admitted by the Finance Minister that there has been a case of FERA violation. ..*(Interruptions)*

MR. CHAIRMAN: Who violated FERA?

SHRI DIPEN GHOSH: It has been admitted by the Minister of Finance that there has been a case of FERA violation though there was no income-tax violation. So, *Sir...(Interruptions)*..... my questions is whether the Government has since start ed proceedings against Shri Lalit Suri for FERA violation. If so, when? And what Is the stage ? If not, why not ?

SHRI S. B. CHAVAN: Sir, the hon Member is not correctly quoting what I had stated in the other House. I said that *prima facie* we feel that there seems to be some kind of a violation of FERA, but at the same time whether what is being given in an abbreviated form is the same company or not, it is these matters about which we have to *go* into details, find out from their London bank to which party the amount belongs. Unless the whole thing is clear, I do not think the hon. Member will be correct in saying that it is Lalit Suri and others about whom you are talking... *(Interruptions)* Sir, the matters are being investigated and unless we come to definite conclusions, it will be difficult to disclose as to what is the fact.

SHRI ATAL BIHARI VAJPAYEE: How long the enquiry will take ?

MR. CHAIRMAN: You had been in Government. You know how long it will take.

SHRI ATAL BIHARI VAIPAYEE: Our Government never functioned in this manner. *(Interruptions).*

MR. CHAIRMAN : Government is Government.

SHRI ATAL BIHARI VAJPAYEE : We had no Suris, no Bachchans.

(Interruptions)

MR. CHAIRMAN: Please sit down.

ठाकुर जगतपाल सिंह : हमारी तरह फंक्शन करते तो आज उधर न बैठे होते ।

(व्यवधान)

MR. CHAIRMAN: Mr. Bansal.

SHRI PA WAN KUMAR BANSAL : Mr. Chairman, Sir, I would like to know from the hon. Minister whether a business magnate who is also a press tycoon imported certain machinery by under-invoicing and in violation of the FERA regulations; and If so, what action has been taken ? *(Interruptions).*

SHRI EDUARDO FALEIRO i Sir, the ion. Member has not given any specific lame ...*{Interruptions)* Howavcr, Sir I »ould like to say.....*{Interruptions)*.. .1 /ould like to point out that we are not llowing anybody to get away. I would ike to say that in the course of this year s well as the previous year, there has been a much greater increase in action gainst FERA violators than in any of the revious years.

MR. CHAIRMAN: You are very vigt-int about it.

SHRI EDUARDO FALEIRO : Our De-artment is working strongly against them.

MR. CHAIRMAN : Question No. 403.

Lircst of Foreign Nationals in J and K

*403. SHRI SATYA PRAKASH IALAVIYA : Will the Minister of [OME AFFAIRS be pleased to state :

<a) Whether any foreign nationals were rrested in a village in Janunu and Kashmir during the last week of May, 988 as reported in the Indian Post of ie 26th May, 1988 published from ombay;

(b) if so, what are the details thereof; id

(c) whether these foreigners were embers of Field Intelligence Unit (FIU) f Pakistan ?

THE MINISTER OF STATE IN HE MINISTRY OF PERSONNEL, JBLIC GRIEVANCES AND PENSIONS ND THE MINISTER OF STATE IN HE MINISTRY OF HOME AFFAIRS 5HRI P CHIDAMBARAM) ; (a) to *i)* A statement is laid on the I able of e House.

Statement

The news item referred to in part (a) the *question* was published in the Indian Post of Bombay dated 27th May, t988. According to information received from the Government of Janunu and Kashmir, 24 foreign nationals crossed the international bonder in Janunu area during the month of May, 1988. Of these, 9 were Pak nationals, 2 Bangladeshis and 13 Iranians. Out of the 24 foreign nationals, 9 Pak nationals and 2 Bangladeshis national's are facing trial. Four Iranian nationals were convicted and are completing their term of imprisonment on 27-8-1988. Nine Iranian|Afgan nationals, who crossed the border on 26th May, 1988 via Know in Janunu wera arrested by the Border Police and pushed back on the night intervening 26th|27th May, 1988.

2. The interrogation of the arrested foreigners did not reveal their being members of the Field Intelligence Unit of Pakistan.

SHRI SATYA PRAKASH MALAV1YA: Sir, is it a fact that out of the nine Pakistanis and two Bangladeshis arrested, there has been evidence that they are directly connected with the terrorists of Punjab ?

SHRI P, CHIDAMBARAM : Sir, in my statement I have already said that there is no evidence to show that they are members of the Field Intelligence Unit of Pakistan. The trial is going on Mid it will be very difficult to say now whether there is any connection with, any terrorists. At the moment, we have no information that they are connected with the terrorists.

SHRI SATYA PRAKASH MALAVIYA: Out of the arrested persons, one is Irsbad Vhmad and my information is that there s direct evidence that lie is connected vith the Field Intelligence Unit of Pakistan. I would like to know wheather *kit arrested-* person, Mr. Irshad Ahmad,